NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Woods Creek Timber Sale and Fuel Mitigation Project is located within Sections 14, 16, 23, and 24, T15N-R5W, on the State's Helena Unit. Approximately 5,421 tons of Douglas-fir and ponderosa pine sawlogs are offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on August 12, 2005 at 2:00 p.m. Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received. Bids must be accompanied by a deposit of \$3,741.00, representing 5% of the minimum bid value of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. If the successful bidder is unable to execute the contract within 45 calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), or the Central Land Office - Helena Unit, 8001 N. Montana Ave., Helena, MT 59601 (406-458-3500).

Visit our website at www.dnrc.mt.gov (click on Trust Land Management, then Forest Management) for bid results and upcoming sales.

/s/ David A. Groeschl, Chief Forest Management Bureau Trust Land Mgmt Division

Publication Dates: July 7, 14, 21, 28, 2005

TIMBER SALE PROSPECTUS MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Woods Creek Timber Sale & Fuel Mitigation Project

Timber Sale Location: Sections 14, 16, 23, & 24, T15N-R5W

For specific sale information, contact: Shawn P. Morgan, Forester

Phone: 406-458-3516 Unit Office: Helena Unit

For copies of the Timber Sale Contract and bid forms, contact:

Phone: 406-542-4300 Forest Management Bureau DNRC Missoula Office

Phone: 406-458-3500 Central Land Office

General Bidding Information

1. Bids must be submitted on standard DNRC bid forms.

- Timber will be sold to the highest responsible bidder; however, the Department reserves the right to reject any or all bids.
- 3. DNRC recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
- 4. A **bid guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, bank money order, bank draft, surety bond or irrevocable letter of credit.
- 5. The Purchaser must submit a **performance bond** within 45 days of the sale award. It will amount to 20% or more of the bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract.
- 6. The Purchaser must submit an **advance stumpage payment** prior to cutting any timber. The amount of the advance will be based on the expected harvest rate and the bid value of the stumpage. The advance may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
- 7. The Purchaser will pay **Forest Improvement fees** and any special **Road Use and Maintenance fees** in addition to stumpage payments.
- 8. The successful bidder must sign an agreement that prohibits exporting State logs.
- 9. This sale is being sold based on the gross weight of all species. Minimum price and bid price is per ton. The price is for all species, green and dead. Billing will be based on gross weight. A weight ticket from a certified scale is required for every load.
- 10. The Department has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. All delivered wood will be weighed and billed at per ton bid rates. The Department recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the purchaser and the tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. DNRC strongly recommends that bidders evaluate these effects before bidding.
- 11. DNRC does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not its market value. <u>Purchasers should make their own estimates</u> based on contract requirements.
- 12. Bidders should examine the Timber Sale Contract and sale area prior to bidding. Additional information is available at the phone numbers shown above. **Contact Shawn Morgan at 406-453-3516 for tour details.**
- 13. Estimated stand data in this prospectus and volume estimates in the sale contract are not guaranteed.
- 14. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

/ersion 5-03 2

TABLE 1: Summary of Sale Specifications									
Sale Data									
126	Net Sale Area (acres)	Miles of road construction							
October 30, 2007	Contract ending date	2.11	Miles of spot road reconstruction						
N/A	Cable logging required (% of volume)	Miles of road reclamation or abandonment							
Operating Season: Year Round	d								
	Charges and Appraised Costs								
\$3,741.00	Bid Guarantee (total \$)	Bid Guarantee (total \$)							
\$ 6000.00 minimum or 5% of bid value	Performance Bond (total \$)								
\$ 0.15/ton or \$ 837.32	Collected Road Maintenance And Road Use Charges (\$ per ton)								
\$ 1.18	Collected Forest Improvement Fee (\$ per ton)								
\$ 1,066.13	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)								
\$ 1.24/ton or \$ 6,710.50	Road Development Costs - Appraised Purchaser-Do (total \$)								
\$ N/A	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)								
\$ 0.84/ton or \$4,566.60	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)								
\$ N/A	Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton)								
\$ 3,500.00	500.00 Purchaser-Do bridge re-decking (estimated)								

TABLE 2: Timber Cruise Data and Minimum Bids									
SPECIES	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL or AVE
Minimum Acceptable Bid	-	-						-	\$13.80/ton
Gross Cubic Feet (in thousands)	92.0	14.4						17.4	123.81
% Cull and Breakage	0.17	0.16						0.54	0.21
Net Cubic Feet (in thousands)	33	135						12	179
Pounds per cubic foot	62.0	61.7						40.0	54.56
Net tons	4166.9	1011.2						243.0	5421.1
Gross MBF (Scribner 6" top DIB)	708.9	147.4						110.0	966.3
%Cull and Breakage	0.17	0.16						0.54	0.21
Net MBF	587.2	123.4						50.5	761.1
Average logs per MBF	22.0	34.4						22.1	23.8
Average DBH	10.7	7.8						10.1	9.6
			Aver	age tons pe	er acre harv	ested in lea	ve-tree ma	rked units	44.60
			Av	erage tons	per acre ha	arvested in	cut-tree-ma	rked units	24.75
Average MBF to cut per acre on the timber sale							6.04		
Range of cut trees per acre based on unit cruise								248.36	
Calculated Sampling Error (net N The total cruised volume will fal	•		thousand	net board fe	eet in 9 out	of 10 cruise	es.		

Version 5-03

TABLE 3: Unit Harvest Volume and Harvest Schedule									
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date				
1-T	14,23 & 24	10	247.5	37.6	September 1, 2007				
2-T	16	36	1,041.7	140.7	September 1, 2007				
3-T & 4-T	16	80	4,132.1	582.8	September 1, 2007				

Additional Sale Information:

- 1. Unit 1-T, along Wolf Creek Road is cut-tree marked with very gradual slopes. Harvest trees are blue paint marked with a dot at breast height, and a mark below stump.
- Unit 1-T is restricted to a hand-fell, forwarder type harvesting operation.
- 3. In Unit 1-T, Purchaser will be required to pack (forwarder) and pile slash outside of the SMZ at a location determined by the Forest Officer.
- 4. A rubber mat crossing will be employed to harvest a small portion of sale Unit 1-T, and will be used for forwarding purposes only. It shall be placed just prior to, and removed immediately after harvest. See 124 Permit for specifications and procedures.
- 5. Unit 2-T has a designated SMZ identified with a double diagonal orange paint line at breast height. Do not remove any trees in this reserve area.
- 6. Unit boundary lines are marked with a double diagonal blue paint line. Property lines that coincide with unit boundary have a blue vertical paint line. In Unit 4-T the property line extends outside of a barbed wire fence along the west boundary. The barbed wire fence will serve as the unit boundary.
- 7. Designated skid trails have been marked with a double diagonal yellow paint lines in both Units 2-T and 4-T.
- 8. Units 2-T, 3-T, and 4-T are leave tree marked with a blue diagonal paint line at breast height, and a mark below stump. Slopes in these units near 45%.
- 9. An old, dilapidated bridge is currently in the Wolf Creek waterway in Unit 1-T. This structure will be removed and relocated as described in the 124-Permit.
- 10. Harvesting in Unit 1-T will be restricted to a forwarder type operation only. All other harvest units have no machinery restrictions.
- 11. The Woods Creek Road Bridge will require, at a minimum replacement of stringers and decking material. Purchaser must submit a construction/bridge plan with material list to the DNRC, Helena Unit Office, for approval.
- 12. Wagner Road and Unit 4-T access road shall be constructed to minimal standards as specified in the contract. Construction shall begin just prior to harvesting operations. Roads will be reclaimed immediately following harvesting.

Version 5-03

TABLE 4: Total Net Cubic Feet (6" top diameter) by Diameter Class and Species (Cut trees)										
	Thousand Cubic Feet									
DBH Class	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL	
≥7 and < 9	241	132						29	403	
≥9 and < 11	314	392						43	748	
≥11 and < 13	178	1244						36	1458	
≥13 and < 15	155	775						69	999	
≥15 and < 17	103	500						50	653	
≥17 and < 19	0	650						0	650	
≥19 and < 21	0	216						0	216	
≥21 and < 23	0	162						17	179	
≥23 and < 25	21	96						0	116	
≥25 and < 27	0	0	_					0	0	
≥27 and < 29	0	0						0	0	
TOTAL	1011	4167						243	5421	

TABLE 5: Total Number of Cut Trees by Diameter Class and Species									
DBH Class	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL
≥7 and < 9	4359	2016						634	7009
≥9 and < 11	1495	1803						544	3852
≥11 and < 13	451	3132						222	3804
≥13 and < 15	278	1169						242	1689
≥15 and < 17	146	652						123	921
≥17 and < 19	0	560						0	560
≥19 and < 21	0	201						18	220
≥21 and < 23	0	88						26	113
≥23 and < 25	10	53						0	63
≥25 and < 27	0	0						0	0
≥27 and < 29	0	0						15	15
TOTAL	6739	9672						1835	18245

Version 5-03 5